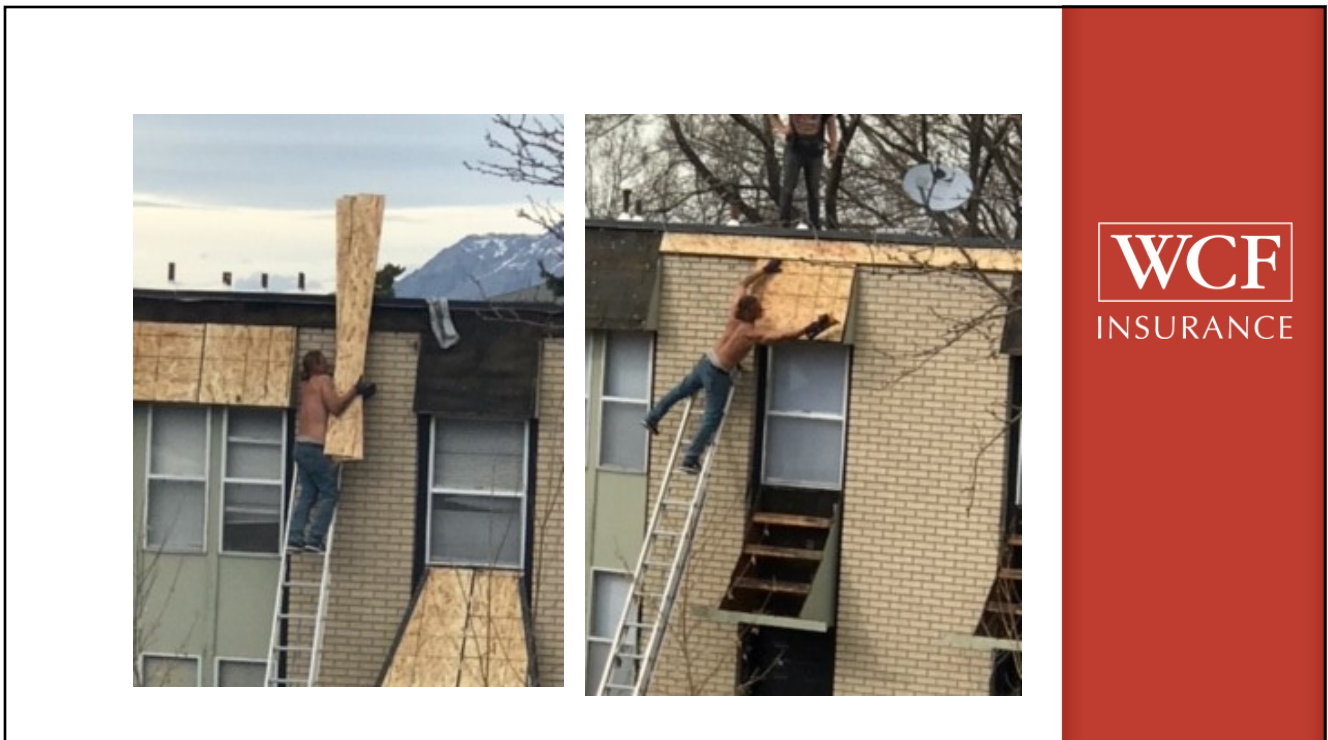




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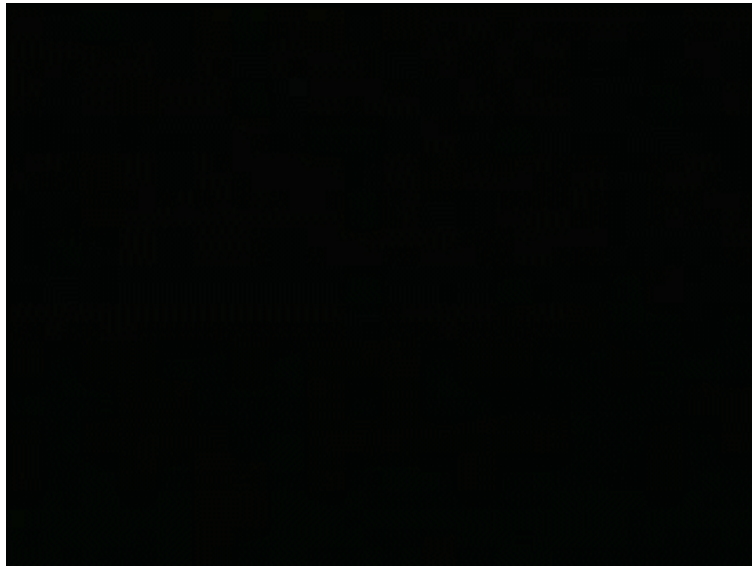
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3



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6



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7

Is your company strategy based on
LUCK or a **PLAN**?

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8

**COMPLIANCE
BASED
PROGRAMS**

VS

**BEHAVIOR
BASED
PROGRAMS**

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9

WORKERS COMPENSATION SYSTEM

(No fault system, Prompt defined benefits, Exclusive remedy)

Employee

- See Employee's Roles and Responsibilities with Safety and Workers Compensation Insurance Checklist attached

- Provide Proper Coverage
- Fair and timely claims
- Safety, Legal, Fraud, Bill Review, Med Case Mgrs, RTW, Voc Rehab, Third Party Review, Utilization Review

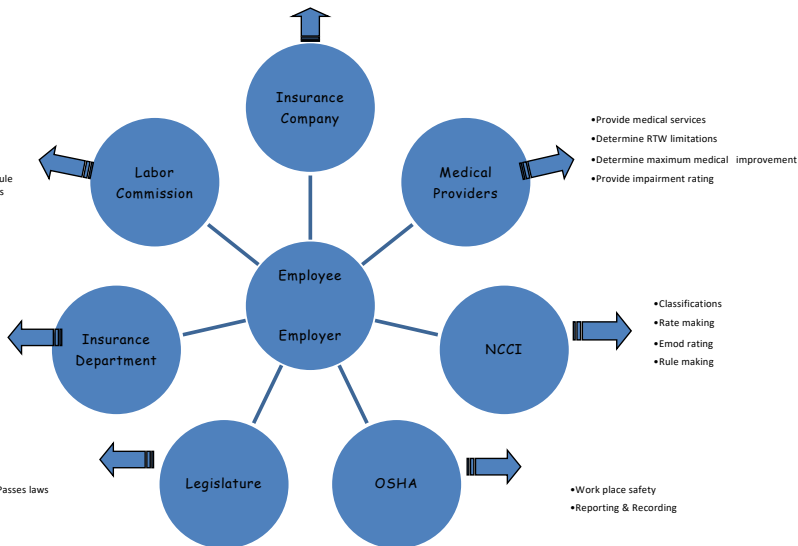
Employer

- See Preventing Injuries and Controlling Costs Checklist attached

- Enforce Coverage
- Resolve Disputes
- Handle Uninsured
- Establish fee schedule for medical providers

- Regulate fair insurance practices and rates
- Monitor Insurance Companies
- Monitor Insurance Licensing & Selling

- Passes laws



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10

About Emods

- Produced and calculated by the National Council on Compensation Insurance (NCCI, Inc.)
- It is mandatory for carriers to use Emod
- Commonly referred to as Emod, XMod, EMR, Experience Modifier, Mod
- Uses past payroll and losses to predict future losses
- Tailors premium to policy holder's experience



11

Why have an Experience Rating (EMOD)?

- It is a refinement to your Manual Premium
 - Modifies risks that are grouped together by classification
 - Class rate is based on average conditions of that type of operation or classification
 - Emod analyses the individual risk, based on their payroll and losses
- Benefits employers by giving them the opportunity to manage their own premium costs
 - Incentive for employers to develop loss prevention programs and safety programs in order to control claims



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EMOD Simplified

$$\frac{\text{Three year actual losses}}{\text{Three year expected losses}} = \text{EMOD Rating}$$

Industry Average = 1.00

Rating = .99 or less (better than industry average)

Rating = 1.01 or higher (worse than industry average)

Manual Premium		Emod		Modified Premium
\$10,000	X	.75	=	\$7,500
\$10,000	X	1.00	=	\$10,000
\$10,000	X	1.25	=	\$12,500



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Years Included in EMOD

Rating Effective date is 01/01/2019

(used for the 01/01/2019 – 01/01/2020 policy period)

Experience range would be...

01/01/2017	01/01/2018		One year >\$7000 or... two out of the three years with average of \$3500
01/01/2016	01/01/2017		
01/01/2015	01/01/2016		

What about the 2018 – 2019 year?



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Reading your Emod Worksheet

- Insured's basic information
 - Name, Risk ID number, Rating Eff. Date
- Organized by following sections for each year
 - Left side (Green)
 - Class Codes, Ratios, Payroll
 - **Expected Losses**
 - Right side (Blue)
 - Actual Claims
 - **Actual Losses**



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Mod Analysis for Utah Museum of Emod

Workers' Compensation Experience Rating Worksheet

Effective Date: 4/1/2018

Risk ID: 43121321231

State: UT

1	2	3	4	5	6	7	8	9	10	11
CODE	ELR	D - RATIO	PAYROLL	EXPECTED LOSSES	EXP. PRIM. LOSSES	CLAIMDATA # ID	IJ	OF	ACT. INC. LOSSES	ACT. PRIM. LOSSES
*****Utah										
Policy Period: 4/1/2014 to 4/1/2015				Policy #:						
8810	0.05	0.51	500,000	250	128	201454986	5	F	18,000	16,500
9101	0.83	0.55	90,000	747	411	201445684	5	F	37,000	16,500
						4 Sm. losses	6	*	1,600	1,600
Policy Period Totals			590,000	997	538				56,600	34,600
Policy Period: 4/1/2015 to 4/1/2016				Policy #:						
8810	0.05	0.51	525,000	263	134	2015153153	5	F	12,500	12,500
9101	0.83	0.55	82,000	681	374	3 Sm. losses	6	*	900	900
Policy Period Totals			607,000	943	508				13,400	13,400
Policy Period: 4/1/2016 to 4/1/2017				Policy #:						
8810	0.05	0.51	494,000	247	126	201612312	5	F	14,000	14,000
9101	0.83	0.55	85,100	706	388	6 Sm. losses	6	*	2,760	2,760
						201614143	6	F	22,000	16,500
Policy Period Totals			579,100	953	514				38,760	33,260



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Expected Losses

- Computed using the ELR (expected loss rate)
- ELR is the estimate of claims costs per \$100 payroll
- Example for class code 9101-College All Other
 - $\text{Payroll} / \$100 \times \text{ELR} = \text{Expected Losses}$
 $\$90,000 / 100 \times .83 = \747



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Actual Losses

- Claim count (Claim Data)
- Claim type and status of claim (Injury Codes and O/F)
- Claim costs (Actual Incurred)
- Primary claim amounts (Actual Primary)



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Claim Data

- Two ways to list claims
 - Includes claim number if cost is greater than \$2,000
 - Indicates number of claims costing less than \$2,000
 - Med Only and Indemnity claims are not grouped together
- Indicates if a claim is Open (O) or Final (F)



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Injury Codes

- (1) Death
 - (2) Permanent Total Disability
 - (3) Major Permanent Partial Disability*
 - (4) Minor Permanent Partial Disability*
 - (5) Temporary Disability
 - (6) Medical Only
 - (9) Permanent Partial Disability
 - * Not reported in Utah
- (Codes 5 & 6 are the most common types)



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Actual Losses and Actual Primary Losses

- Total Actual Losses
- Primary
 - First \$16,500 of each loss
 - If primary is over \$16,500, it is due to a group of claims under \$2000 that have been grouped together
 - 16 lumped claims at \$1000 each would show \$16,000
 - Excess
 - Any claims dollars beyond \$16,500
 - Excess losses discounted later in calculation
 - Total excess is shown at the bottom of worksheet (F)



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Some limits on Actual losses

- Med Only claims discounted 70%
 - Claims discounted after distinguishing Primary and Excess losses
 - \$22,000 Claim
 - Primary ($\$16,500 \times 0.30 = \$4,950$)
 - Excess ($\$5,500 \times .030 = \$1,650$)
 - NCCI worksheet doesn't show this discount until the totals at the bottom
- Indemnity claims are capped (Excess losses)
 - Effective 12/1/17...
 - \$142,000 per claim
 - \$284,000 per multiple claim



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Mod Analysis

Specific Loss Sensitivity Detail

Premium cost estimates based on a manual premium

State	Injury Date	Incurred Loss	Limited / Adjusted Loss	Mod w/o Loss	Impact on Mod	Premium Costs		
						1 yr	2 yr	3 yr
Itemized Losses								
UT	2/1/2015	\$5,681	\$5,681	1.2649	0.0138	\$7,421	\$14,842	\$22,263
UT	2/1/2014	\$12,837	\$3,851	1.2693	0.0094	\$5,055	\$10,110	\$15,164



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Your Mod and Potential Premium Savings

Mod Type	Mod Value	Premium	Description
Current	1.28	\$688,317	Your actual mod and estimated premium.
Average	1.00	\$537,748	The average mod is always 1.00. This premium represents what the average competitor in your industry is paying.
Minimum	0.49	\$263,497	The lowest mod and premium you could achieve if you had zero losses in the experience rating period.
Controllable	0.79	\$424,821	The mod points and premium amount you could have saved if you had zero losses in the experience rating period.

Compared to your average competitor, your company is at a: \$150,569 disadvantage.



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HOUSE BILL 288

Employer Impeding Claim of Benefits

[HB0288](#) – (Enacts §34A-2-114) This bill makes it unlawful for an employer to knowingly or intentionally interfere with an employee's ability to make a workers' compensation claim or retaliate against an employee for making a claim. It also gives the Labor Commission authority to impose a \$5,000 fine for each violation of this provision.



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Post-Accident Drug Testing

“reasonable possibility” that drug or alcohol use caused or contributed to the reported injury or illness to justify requiring the employee to submit to a drug and/or alcohol test.

Preamble to new OSHA recordkeeping regulation



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Take-Aways

- Review EMOD data
- Implement Effective Safety Culture and Programs
- Focus on Early Return to Work Programs
- Medical Only vs Lost Time Claims

